

## 10 Principles for Future Land Management Support in Scotland:

### Parliamentary motion on establishing the principles for Scotland's future farm policy

On 26 September, Cabinet Secretary for the Rural Economy Fergus Ewing proposed holding a debate in Scottish Parliament to establish the principles that will underpin Scotland's future farm policy<sup>1</sup>.

Scottish Environment LINK<sup>2</sup> welcomes this intention and proposes ten principles that should underpin future policy and funding development.

These principles are at the centre of LINK's vision for a thriving countryside where:

- all land managers help to enhance landscapes and biodiversity and where a clean, healthy and wildlife rich environment is regarded both as an asset to society and essential for underpinning economic activity such as farming and forestry;
- land is adaptable and resilient to climate change, and is used and managed in ways that contribute to climate change mitigation and adaptation more broadly;
- people live, and work and rural communities are sustained, with opportunities for young people to work and manage the land, and where new entrants to traditional sectors are encouraged and supported;
- a broad range of land use and rural business activities offer good livelihoods and employment opportunities. Those who manage the land secure a fair return from it, whether producing traditional products such as food and timber or delivering public goods;
- food production is part of a fair, healthy and sustainable food system, from farm to fork, and plays its part in becoming a Good Food Nation;<sup>3</sup>
- the full range of ecosystem services land provides are recognised and valued for their contribution to our economy and to society;
- land is used and managed in more integrated ways to deliver multiple outputs and benefits wherever possible.

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## 10 Principles for Future Land Management Support in Scotland

### Principle 1: Evidence-based

**The development of future rural and land use support is evidence based.**

Policy design and delivery must start from an assessment of the environmental, social and economic needs that policy must address. It must draw on rigorous and independent evaluation of the strengths and weaknesses of the current support regime under the CAP (effectiveness and efficiency). The likely environmental, social and economic impacts (benefits and costs) of proposals for future policies and payments should be modelled and assessed before final decisions are taken.

### Principle 2: Regulation plus

**Future payments and policies go above and beyond the regulatory baseline, with at least the current standards maintained and enforced; EU environmental principles are applied, as appropriate.**

<sup>1</sup> Official Report: <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11688&i=105868>

<sup>2</sup> Scottish Environment LINK is the forum for Scotland's voluntary environment community, with over 35 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

<sup>3</sup> In 2014, Scottish Government's 'Becoming a Good Food Nation' set out that 'there is consensus on the key concept areas [of a Good Food Nation]; health and wellbeing, environmental sustainability, local economic prosperity, resilient communities, and fairness in the food chain'.



A wide range of legislation relevant to agriculture - environmental, animal welfare, food safety and employment - is already in force. This is designed to protect the public interest and it must be effectively implemented and enforced. Compliance with regulation by farmers, crofters and other land managers must be a pre-requisite for the receipt of any public funding; any incentives, grants or other payments must deliver additional benefit beyond the baseline standards achieved by regulation. Where universal compliance with new measures is deemed necessary, new regulation should be considered, especially where this relates to key environmental principles. Regulation can be a most effective and equitable way to deliver public goods.

### **Principle 3: Outcomes focused**

**All future rural and land use support must contribute to the delivery of defined outcomes, in line with international and domestic aspirations.**

Under the current system of land management support, the purpose and desired outcomes for many financial support mechanisms is unclear or poorly specified. Direct payments are paid based on land area and have no correlation with income needs.

In future, the outcomes which land management payments are intended to help deliver on a national level must be clearly defined and set out in a policy coherent way. These outcomes should be drawn from international obligations such as the UN Sustainable Development Goals or the 2020 Aichi targets for biodiversity, domestic ambitions captured in the National Performance Framework and policies such as the Land Use Strategy and the Climate Change Plan. Existing and future international agreements and commitments should continue to be a baseline for the identification of outcomes and priorities; this should be reflected in the rationale for financial support down to the holding level.

An outcomes focused approach will help identify which instruments and approaches are best suited to deliver desired outcomes, including indicators to measure progress. For example, while regulation may be better suited to achieve certain results (e.g. enhance water quality), in other situations, supporting short supply chains or facilitating collaboration may be the most appropriate instrument (e.g. for supporting remote rural communities).

Rigorous audits to identify outcome delivery would also need to be supported to ensure funding mechanisms and financial support is well targeted.

### **Principle 4: Public money for public goods**

**Ongoing financial support for agriculture, forestry and other rural land use is based primarily on a principle of public money for public goods.**

The strongest justification for using public funding to support farming, crofting and forestry is that these activities can produce a wide range of environmental and social goods and services (public goods) that are not rewarded through markets.

Support to land managers should therefore be tailored accordingly.

The main public goods provided by land management are biodiversity, landscape enhancement, public access, high water quality, air and soil, a stable climate and resilience to flooding. Environmental land management schemes and support for agro-ecological farming systems, including organic and support for High Nature Value farming and crofting, should be the main incentive mechanisms.

In addition to financial support for the delivery of public goods, there is also a case for financial support to facilitate change. Public funding in the form of grants and loans is also justified to support business investment in productivity and resource use efficiency (decoupling production), adaptation and development. Such investments could help improve environmental performance, support diversification, invest in supply chain



infrastructure, develop new income streams or improve business efficiency. Funding could be available for purchasing machinery, IT or physical infrastructure, amongst other things, where this offers good value for public money. There may also be scope for other financial mechanisms such as tax breaks to play a role here.

Similarly, supporting investments in research, knowledge transfer, advice and training is another way in which public funds can be utilised. Public funding should support knowledge transfer, advice and training including continuing professional development. This should build on the significant investment of public funds in agricultural, forest and other land use research and do more to ensure the results of this reaches those who could benefit most from it. Low levels of formal education and training in the land use sectors need to be addressed.

#### **Principle 5: Business-based and plan-led**

**Financial support goes to businesses or groups of businesses in return for undertaking specific activities.**

Financial support is not an entitlement that comes with a specific area of land. Applications for financial support are based on plans from businesses or groups of businesses showing what will be delivered as a result of the financial support. The timescale over which support is provided reflects the purpose of that support. Most applications for environmental activity funding will be multiannual.

#### **Principle 6: Knowledge-based sector**

**Investing in and upskilling an enhanced advisory service, alongside professional development, is vital to help support the sector as we transition to a new system fit for the 21<sup>st</sup> century.**

Support for training, advice and collaboration should be a serious focus for future policy. Currently, our advisory service lacks capacity and consistency of training on environmental management to robustly support the delivery of public goods. Investing in and upskilling an enhanced advisory service is vital to help support the sector through this period of change as we transition to a new system fit for the 21<sup>st</sup> century. An enhanced advisory service will create a knowledge-based sector, where expertise is sought and shared to ensure that best practice is continuously implemented.

In addition, currently only 27% of farmers in Scotland have any formal agricultural training<sup>4</sup>. This is very low for a sector that needs increasingly to embrace innovation and new technologies, be more market orientated and adopt greener farming methods. Much higher rates are likely to be required if the sector as a whole is to undergo transformational change. It is also vital that land management courses at Further and Higher Education level include environmental content and promote agroecological principles within all modules rather than as optional dedicated modules. Continuing Professional Development should become the norm for those working in the farming and land use sectors and be a requirement for receiving public money.

#### **Principle 7: Transparency and accountability**

**All farm and rural support payments will be transparent and accountable, with information regarding beneficiaries and the amounts received being in the public domain and freely available.**

Funding for farming and rural areas is likely to be under increasing public scrutiny in future given demands on public finances. How such money is used should be subject to audit. Information on who receives support, for what purpose and the amount, should be published annually on the Scottish Government website.

#### **Principle 8: Access and equity**

**Payments and support measures will be accessible to all land managers subject to rules and eligibility criteria.**

<sup>4</sup> Scottish Government (2015). The Future of Scottish Agriculture: A Discussion Document. Scottish Government. Online. Available from: <http://www.gov.scot/Resource/0047/00479616.pdf>

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A tiered system of support including public goods, business adaptation, development support, and measures supporting knowledge transfer, advice and training should be accessible to all farmers, crofters, foresters and other land managers – including those managing less than 3 hectares - subject to defined rules and eligibility criteria.

The rates of payment for delivering public goods may vary to reflect the variable costs incurred, for example by smaller businesses or businesses operating in remote areas. The rates of intervention to support investments in productivity efficiency, innovation and business support may vary to reflect the ability of businesses to fund these investments from their own resources.

#### **Principle 9: Flexibility and differentiation**

**Delivery models for future funding mechanisms are regionally tailored, flexible and plan-led.**

Funding is tailored to regional circumstances and farming and land management systems, with jointly agreed regional land use frameworks setting priorities for public support and investments.

A degree of flexibility should be allowed in how funding is applied at business level, contingent on the desired outcomes being met. Such flexibility should be facilitated by the adoption of a plan-led approach whereby each business completes a holding-level land management plan setting out objectives, intended outcomes and which funding mechanisms and funding are required to meet them.

There should be flexibility, particularly in remote and island areas where there is a demonstrable social or environmental need to continue farming land which cannot yield an economic return, to agree bespoke land management contracts which provide a sustainable livelihood.

#### **Principle 10: Monitoring and evaluation**

**The impacts and outcomes of financial support will be regularly monitored and evaluated, and the results used to inform future policy development.**

Looking at existing policy, the monitoring of current policies and funding under the CAP and evaluation of their impacts and outcomes – especially in relation to Pillar I payments - is poor. This must be addressed in future. Sufficient funding must be allocated to carry out effective monitoring and evaluation for all future financial support, including establishing baseline data, assessing impacts and outcomes and reporting on progress. Such monitoring and evaluation will provide an evidence base to improve performance and inform further policy development.

This LINK Parliamentary Briefing is supported by the following member organisations:

- Buglife Scotland
- Butterfly Conservation Scotland
- Nourish Scotland
- Ramblers Scotland
- RSPB Scotland
- Scottish Farming and Wildlife Advisers' Group
- Scottish Wildlife Trust
- Woodland Trust Scotland
- WWF Scotland

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